

13 Q. So am I correct to understand that, at some
14 point, someone did that calculation?

15 A. Yes.

16 Q. And did you do that calculation?

17 A. No.

18 Q. Do you know who did it?

19 A. That would be the consumer marketing people or
20 the business marketing.

21 Q. So was it at the meetings of the team that each
22 of those individuals from their respective groups would
23 come and show that, here is our aggregate, aggregate
24 number of loans, and I have applied this percentage, based
25 upon our best estimate of what would be losses to CLC's?
0062

1 A. Yes.

2 Q. And so is the calculation something that's
3 contained, say, in a single sheet of paper?

4 MR. KOLTO-WININGER: Do you know? Don't assume.
5 Just state from what you recollect and what you
6 actually --

7 THE WITNESS: On a single sheet of paper?

8 MR. McDONALD: Q. Well, did you see any
9 calculations? For example, going back to Exhibit 11, for
10 the values that appear for the four elements in Exhibit
11 11, did you see the subordinate calculation that led to
12 the development of the number that shows for the consumer
13 element, for example?

14 A. Yes.

15 Q. And what's your recollection of what that was,

16 was it a spreadsheet of some kind?

17 A. I think it was like an Excel spreadsheet, just
18 retail, then a percentage and what the number would look
19 like.

20 Q. Was there any calculation that showed how that
21 percentage was derived?

22 A. That would be just expert opinion.

23 Q. So that was sort of one of the assumptions going
24 into the forecast?

25 A. Right.
0063

1 Q. Someone made a projection as to the likely
2 percentage of lines that would be lost?

3 A. Correct.

4 Q. Were you a repository of those subordinate
5 calculations or subordinate calculation that led to the
6 calculations of these forecasts that were marked Exhibits
7 11 through 15?

8 A. No.

9 Q. So you simply took the final number from each of
10 the respective groups, and inputted that into this sheet
11 in order to create the projection?

12 A. Not actually the percentage, but the final
13 number --

14 Q. Right.

15 A. -- that we agreed upon, X percentage, and put
16 that in there.

17 Q. With respect to item D, on page 2 of Exhibit 10,

18 are you aware of any memorandum, reports or any written
19 statements concerning Pacific Bell's use of these
20 forecasts?

21 A. Of how other groups would use our forecasts?

22 Q. Yes.

23 A. I don't believe I have seen any, no.

24 Q. Now, going back to Revisions B, C, D, and E, how

25 were the values assigned within each of the month and --
0064

1 maybe the easiest thing would be to pick one of the lines,
2 like consumer. And was there some procedure or method for
3 the distribution of the values over those various months?

4 A. Our assumption would be the ramp-up -- well,
5 through most of these forecasts, the ramp-up would be
6 heavily in the fourth quarter, while the CLC's would have
7 their own internal systems ramped up, own staffing, et
8 cetera, types of things to deal with. Day one, the flood
9 gates would just not open, that this would be a slow and
10 gradual build-up. So there would be a curve that would
11 look like a slow but increasing ramp-up, and that was
12 basically what was applied to the monthly spread.

13 Q. Was there any effort to fit that ramp-up to a
14 prescribed curve, some kind of --

15 A. No.

16 Q. Who made the determination as to how much to
17 ascribe to any particular month?

18 A. I believe it was jointly agreed upon.

19 Q. Among the team members?

20 A. Among the team, give and take.

21 Q. Did the team start with the final year-end
22 number and then work back to figure out how it would be
23 distributed among the various months?

24 A. We would start with where are we today and look
25 at the end of the year, and then assume that the slow --
0065
1 the first couple of months would be slow and then
2 gradually building up. So it was just kind of looking at
3 what would make a nice, smooth kind of ramp-up, like that.

4 Q. But you were doing that calculation with the
5 expectation that, as of year-end, you would hit a
6 particular number?

7 A. Correct.

8 Q. And that number had already been selected?

9 A. Yes.

10 Q. So I just want to make sure I understand the
11 process, and let me see if I can summarize it correctly.
12 What happened was, individual members of the team, who had
13 responsibility for either consumer side or business side,
14 looked at their own aggregate lines that Pacific currently
15 has, determined a percentage that was estimated would be
16 lost by year end, applied that percentage to the aggregate
17 number, and came up with a total number of lines for year
18 end; am I correct so far?

19 A. Yes.

20 Q. And then, working with that number, and looking
21 at where you were in any particular time in the year,
22 determined the likely expected number of lines that would

23 be migrated, in order to reach that expected number by
24 year end?

25 A. Correct.

0066

1 Q. And you have already described for us the
2 various inputs that went into that analysis; is that
3 correct?

4 A. Yes.

5 Q. And you have described all the elements. You
6 haven't omitted any material element that went into the
7 determination of what the forecasted figures would be?

8 A. No.

9 MR. McDONALD: I don't think I have any further
10 questions.

11

12 EXAMINATION BY MR. ETTINGER

13 MR. ETTINGER: Q. Good morning, Ms. Schwartz.
14 I am Bill Ettinger for AT&T.

15 I believe you testified earlier you are familiar
16 with other types of forecasting methodologies, are you
17 not?

18 A. Yes.

19 Q. And have you participated in those types of
20 forecasting methodologies?

21 A. Yes.

22 Q. Forecasting methodologies where you might use
23 regression analysis techniques to forecast a change in
24 volume, as a result in change in price or other factors?

25 A. Yes.

0067

1 Q. I take it that kind of -- I take it that that
2 kind of econometric modeling was not used in this case?

3 A. Correct.

4 Q. And what was the reason for that?

5 A. For those types of models, for that to be
6 relevant, you need usually around two years of history or
7 actuals.

8 Q. And in this case you had no actuals?

9 A. Correct.

10 Q. And so basically, what I heard you say is, you
11 relied on opinions from people in your organization?

12 A. Yes, expert opinion.

13 Q. Are you familiar with the term SWAG?

14 A. Yes.

15 Q. Would that be an accurate description of this
16 technique?

17 MR. KOLTO-WININGER: I am going to have to
18 object, because I don't know what it means.

19 THE WITNESS: Something --

20 MR. KOLTO-WININGER: Off the record.

21 (Discussion off the record.)

22 MR. KOLTO-WININGER: Back on the record.

23 MR. ETTINGER: Q. Would you characterize it a
24 best educated guess?

25 A. Yes, I would call it a best educated guess.
0068

1 Q. I am not sure that was my question, but -- I
2 take it your testimony is the reason you had to use an

3 educated guess here is because you had no, in your

4 opinion, no other way to do it?

5 A. Correct. There were no forecasting

6 methodologies or processes to forecast a completely new

7 product or product line.

8 Q. And you say there are no --

9 A. That I know of.

10 Q. Well, isn't it true that companies all the time

11 are introducing new products for which they have no data?

12 A. Correct.

13 Q. And when companies introduce products, don't

14 they do market forecasts?

15 A. Sure.

16 Q. And don't they sometimes use techniques, other

17 than just educated guesses, in making market demand

18 forecasts?

19 A. I don't know.

20 Q. You are not familiar with any literature on that

21 subject?

22 A. No.

23 Q. So you wouldn't be familiar with any market

24 research tools, such as customer surveys?

25 A. Customer surveys, sure.

0069

1 Q. So you are aware that firms use customer surveys

2 as a way of making market demand forecasts?

3 A. But that would also be going back to expert

4 opinion, using that as a -- I mean, I am talking about --

5 I am thinking of models or --

6 Q. I am asking you a question. Have you read any

7 literature on forecasting techniques for new products?

8 A. No.

9 Q. Have you ever read any literature that deals

10 with the use of customer surveys in making market

11 forecasts?

12 A. Yes.

13 Q. So you are aware that customer surveys are used

14 as techniques in making market forecasts?

15 A. Yes.

16 Q. Did you consider, you or anyone in the team, in

17 making a customer survey here, the CLC customers, for

18 example, as to use as an input for your forecast?

19 A. Yes. Going back, we have CLC market managers

20 who deal with the relationship with each CLC. I, last

21 year, asked them all the time if they had any information,

22 would the CLC's provide us with any estimation where they

23 were going, what were their plans, and I received none.

24 Q. Did you consider sending out a form letter to

25 all the CLC's requesting estimates from them?

0070

1 A. No.

2 Q. Did you consider doing a market survey of

3 end-user customers to determine what their interest was in

4 going to CLC's?

5 A. There have been studies, market research studies

6 that have done that.

7 Q. And did you use those studies in compiling your

8 forecasts?

9 A. Yes, one would be Constat. I think we looked at
10 that one.

11 Q. So to your knowledge, the Constat -- is that
12 C-o-n-s-t-a-t?

13 A. Correct.

14 Q. That's a survey that's published?

15 A. That was published, I think it's -- it was
16 published by Pacific.

17 Q. When you say --

18 MR. KOLTO-WININGER: Is it available to the
19 public?

20 THE WITNESS: For a price.

21 MR. ETTINGER: Q. It wasn't commissioned by
22 Pacific, was it?

23 A. I don't believe it was.

24 Q. To your knowledge, that study did a customer
25 research survey of end-user customers?

0071

1 A. Correct.

2 Q. And can you tell us how much you relied on that
3 Constat information vis-a-vis other information -- other
4 inputs in your --

5 MR. KOLTO-WININGER: Do you want her to quantify
6 it?

7 MR. ETTINGER: Yeah.

8 Q. Was it like 50 percent, 75 percent, did you have
9 a feel for that?

10 A. Looking at those numbers, those were a good

11 estimate of, I think, the steady state, but not for --

12 they were very unreasonable to consider the first year of

13 competition.

14 Q. Unreasonably high?

15 A. Yes.

16 Q. You looked at that as what you might reach

17 eventually?

18 A. Eventually, correct.

19 Q. But you said it would be a ramp-up, because you

20 don't go from zero to your final number overnight?

21 A. Correct.

22 Q. How long do you think the forecast ramp -- you

23 forecast the ramp process to take until you reach what you

24 call, steady state?

25 A. My estimate would be two to three years.

0072

1 Q. When would the two- to three-year period begin

2 or have begun?

3 A. It would have begun last summer, so probably the

4 end of '98, '99.

5 Q. By the end of '99, you forecast that --

6 A. It would be in the steady state.

7 Q. Mr. McDonald took you through Exhibits 12

8 through 15. And as I understand it, Exhibit -- they all

9 use the same form. Let's just look at Exhibit 12. That

10 cuts off in '97, in March?

11 A. Excuse me?

12 Q. The document that's been produced cuts off in

13 March of '97?

14 A. Correct.

15 Q. Do I understand correctly, though, that there is
16 a document that Pacific has, that you produced, that goes
17 throughout the end of the year '97?

18 A. Correct.

19 Q. And have you forecasted beyond '97?

20 A. Yes.

21 Q. What years have you forecasted for?

22 A. Through the year 2000.

23 Q. Would that be in the same format, month-to-month
24 cumulative number?

25 A. No.
0073

1 Q. Let me ask you, what would '98 look like,
2 format? I am not asking the numbers now.

3 A. It would be a year-end number.

4 Q. I see. You wouldn't have a month-to-month?

5 A. No.

6 Q. But for '98, '99 and 2000, you'd have an as of
7 December 31st number?

8 A. Correct.

9 Q. That would be a cumulative number, again?

10 A. Yes.

11 Q. For each of these categories?

12 A. Yes.

13 Q. When I say these categories, I am referring to
14 the categories in Exhibit 12.

15 A. Yes.

16 Q. Something else I wanted to ask you about these
17 exhibits, and let me just take Exhibit 15, which was
18 produced on November 6th, 1996. That has numbers for
19 months prior to November.

20 The numbers that appear, for example, under
21 August, September and October, are those actuals or still
22 forecast numbers?

23 A. Those were not actuals. Let's see, those would
24 be old forecast numbers.

25 Q. You didn't go back in November and recast the
0074
1 prior month, say, the actuals for September were such and
2 such and plugged that in?

3 A. No.

4 Q. Did you look at actuals and compare them to the
5 forecasts on particular months, for use in making future
6 forecasts?

7 A. Yes.

8 Q. So if your forecast was way over the actuals,
9 that might influence you to decrease the total for
10 actuals, for example?

11 A. Yes.

12 Q. And if the actual was above the forecast, it
13 might influence you to raise the forecast for that column?

14 A. Yes.

15 Q. Do you remember what the relationship was
16 between the actuals and the forecasts in November from the
17 prior months?

18 A. I don't remember the specific levels, but they
19 were way -- the actuals were way under the forecasts.

20 Q. Do you know why?

21 A. Why the actuals were way under?

22 Q. Yes.

23 MR. KOLTO-WININGER: Don't guess. If you know,
24 that's fine.

25 THE WITNESS: I don't know, I don't know why. I
0075 I can only assume.

2 MR. ETTINGER: Q. Did you have an opinion, at
3 the time, whether it was a result of either your forecast
4 being too high or other restrictions in the ability of
5 Pacific to handle the order volumes?

6 MR. KOLTO-WININGER: I will object that she's
7 testified she has no knowledge as to the latter.

8 Go ahead and answer.

9 MR. ETTINGER: I asked for her opinion.

10 MR. KOLTO-WININGER: I know, but I am objecting
11 that she has no basis in fact, so I am going to object,
12 but go ahead and answer.

13 THE WITNESS: One would be our forecast was too
14 high. My other big assumption was going back to the CLC
15 readiness and system readiness, not on our, Pacific
16 Bell's, but on the CLC's side.

17 MR. ETTINGER: Q. What was your basis for
18 having an opinion that the CLC's were not ready to process
19 their orders?

20 A. Just from the rumor, or not rumors, but you

21 know, going back in formal discussions with, like Ann Long
22 at the LISC, their discussions with the CLC's.

23 Q. So Ann Long and people who worked at the LISC
24 told you that it was their opinion that the CLC's weren't
25 really ready to properly process orders?

0076

1 A. In a high level, yes.

2 Q. Did Ann Long ever tell you that the LISC was not
3 capable of processing orders?

4 A. I never heard that from anyone.

5 Q. Let me show you some documents and ask you
6 whether you have seen them before. These are proprietary
7 to AT&T, so I will ask you not to reveal the numbers. I
8 have no objections to Mr. McDonald looking at them, but
9 with your permission, I am going to step over next to the
10 witness.

11 MR. KOLTO-WININGER: That's fine.

12 MR. ETtinger: Q. The first document is a
13 letter dated August 28th, 1996, to Janette Corby. Do you
14 know who Janette Corby is?

15 A. Yes.

16 Q. Her title is Vice President, AT&T Account Team?

17 A. Uhm-hum.

18 Q. This letter purports to give estimates of AT&T's
19 volumes for a six-week period by weeks, starting the week
20 of September 2nd through the week of October 7th.

21 A. Uhm-hum.

22 Q. And it gives some forecast volumes. Did you see

23 that?

24 A. Yes.

25 Q. And do you use that information in your
0077
1 forecasts?

2 A. Yes.

3 Q. The next document is a letter dated September
4 16th, 1996, to Janette Corby, and it gives forecast
5 volumes by week for the week beginning September 16
6 through the week October 21st. Did you see that?

7 A. Uhm-hum.

8 MR. McDONALD: Is that a yes?

9 THE WITNESS: Yes, yes.

10 MR. ETTINGER: Q. Did you use that information
11 in your forecasts?

12 A. I can't recollect what several of these
13 forecasts that I did see -- I was told it's not going to
14 happen, not this date, but it will be pushed back a week.
15 And then the next week happened, and it would be pushed
16 back another week.

17 Q. Told by who?

18 A. I believe it was from the LISC, that's --

19 Q. I will go into that in a minute. Let me just go
20 through all of these one by one and -- next is a letter
21 dated September 25th to Janette Corby, with forecasted
22 amounts for the week by week, beginning the week of
23 September 23rd through the week of October 28th. Did you
24 see that?

25 A. I believe so; so this is -- what's happening is

0078

1 every week, they are issuing a new forecast, and they are

2 pushing it back and pushing it back, looks like. Yeah.

3 Q. And did you use that?

4 A. Yes, verbatim. As input, yes.

5 Q. Did you use it as input?

6 A. Yes.

7 Q. Next is a letter dated October 24th, with weekly

8 forecasts for the week beginning September 30th through

9 the week of November 3rd.

10 A. Uhm-hum.

11 Q. Your answer is yes, you saw that?

12 A. Yes, I saw that.

13 Q. Is your answer the same, that you used it as an

14 input?

15 A. As an input.

16 Q. Next is a letter dated October 11th, with weekly

17 forecasts beginning the week of September 30th through the

18 week of November 3rd.

19 A. Now, you know, there was -- I can't specifically

20 recall every week, every -- I mean, because every week

21 they revised the forecast, and revised the forecast, so it

22 came in, I saw it and said uhm-hum, uhm-hum, uhm-hum. So

23 I didn't use it -- I didn't say take those numbers as a

24 solid number, but since the trend was issuing a forecast

25 that was overstated, and the next week issuing a revised

0079

1 forecast, and the next week issuing another revised

2 forecast, I looked at that as a trend.

3 Q. Well, the forecast of October 4th and October

4 11th are identical, aren't they?

5 A. So why did they reissue it?

6 Q. I am just asking you a question. They are

7 identical?

8 A. Yes.

9 Q. Do you recall receiving this letter dated

10 October 30th, with forecasts for the week beginning

11 October 28th through the week of November 24th?

12 A. I am sure I saw it.

13 Q. And used that as an input?

14 A. Yes.

15 Q. And a letter dated November 5th, about forecasts

16 for the week of November 3rd, November 10th and November

17 17th.

18 A. Uhm-hum.

19 Q. The answer is yes, you saw it?

20 A. Yes, I believe I saw it.

21 Q. And yes, you used it as an input?

22 A. Yes.

23 Q. And the letter dated November 25th, which has

24 forecasts for the weeks of November 25th, December 1st and

25 December 8th, you saw that?

0080

1 A. Yes.

2 Q. And you used it as an input?

3 A. Correct.

4 Q. The letter dated December 5th, with forecasts

5 for the weeks of December 8th, December 15th and December

6 22nd, December 29th, you saw that?

7 A. Yes.

8 Q. And used it as an input?

9 A. Sure.

10 Q. And the letter dated December 20th, with the
11 forecasts for the weeks of December 22nd and December
12 29th?

13 A. Uhm-hum.

14 Q. You saw that?

15 A. Yes.

16 Q. Used it as an input?

17 A. Yes.

18 Q. And there is a letter dated December 23rd, with
19 forecasts for the weeks of January 5th, 12th, 19th and
20 26th. You saw that?

21 A. No.

22 Q. You have not seen that?

23 A. I have never seen that one.

24 Q. Okay. A letter dated January 8th, with
25 forecasts for the weeks of January 5th, January 12th,
0081
1 January 19th, January 26th, February 2nd, February 9th,
2 February 16th, and February 23rd. Have you seen that?

3 A. No.

4 Q. There is a letter dated January 24th, which does
5 not contain forecasts, but what it contains is a statement
6 from AT&T that AT&T claims that, "As AT&T ramped up to
7 volumes plan, we found that Pacific Bell was unable to

8 provide FOC's and completions, and that a backlog began to
9 accumulate. For that reason, AT&T slowed the orders being
10 sent to Pacific in order to provide a satisfactory
11 provision interval to our customers." Did you see that
12 letter?

13 A. No.

14 Q. There is a letter dated February 13th, with
15 forecasts for the -- now the forecasts have changed to
16 monthly -- forecasts for February, March and April. Have
17 you seen that?

18 A. No.

19 Q. And I take it, then, you didn't see the
20 statement that AT&T has deliberately kept its volumes low
21 for the month of February to try to comply with the
22 restraint Pacific has imposed?

23 A. No, I have not seen that.

24 Q. Have you seen, there is a letter dated March
25 3rd, with forecasts for the weeks of March 4th and March
0082
1 18th?

2 A. No.

3 Q. So as I recollect your testimony, it seems you
4 saw the letters, forecast letters throughout '96, but
5 beginning with the letter, I think, dated January 8th,
6 '97, which was the first one that you didn't see?

7 A. I don't think I saw anything in '9 -- yeah, I
8 haven't seen any of the forecasts for '97.

9 Q. So, then, I trust that the ones that you did
10 see, I take it Ms. Corby, or one of the people that

11 reported to her, passed those forecasts on to you?

12 A. Right, Ms. Corby did via, actually, via Arlene
13 Arbues.

14 Q. And at some point thereafter, apparently, these
15 forecasts from AT&T that went to Ms. Corby were not being
16 passed on to you?

17 A. Apparently.

18 MR. KOLTO-WININGER: I am going to object that
19 it assumes we received them. You can ask her if she has
20 received them or not, and her answer is no, she hasn't.
21 There is no one here to authenticate that they were sent.
22 They are not signed, and they are not on letterhead, so
23 you can ask her if she received them or not, and draw your
24 own conclusions later.

25 MR. ETTINGER: I have already asked her.
0083

1 Q. You testified earlier that you tended to
2 discount some of the early AT&T forecasts, because AT&T
3 was forecasting some numbers to materialize and they
4 didn't materialize; is that a fair characterization?

5 A. True.

6 Q. You don't know why the forecast numbers didn't
7 materialize, do you?

8 A. No.

9 Q. You don't know whether it was a result of AT&T
10 being slow to market or having to curtail its sales
11 because the LISC was unable to handle the demand, do you?

12 A. No.

13 Q. In fact, when you were in the process -- Mr.
14 McDonald took you through the process of your various
15 revisions to your forecasts, and went through the fact
16 that the forecast numbers declined significantly and
17 continually through each of the revisions, correct?

18 A. Correct.

19 Q. And I believe your statement was, and correct me
20 if I'm mischaracterizing, was one of the reasons for
21 revising downward the forecast was because you just
22 weren't seeing the orders, resale orders, being put into
23 service from the CLC's, right?

24 A. Correct.

25 Q. But do you know, or did you do any research, as
0084
1 to why those resale orders weren't being put into place?

2 A. No, I didn't. I didn't realize, or I had no
3 knowledge of any large amount of orders coming through.

4 Q. Did you know, at any point, that there was a
5 backlog in the LISC in handling orders?

6 A. No.

7 Q. Do you know that now?

8 MR. KOLTO-WININGER: Objection. Vague as to
9 backlog, whether that means FOC, migration or completion
10 notice. But go ahead and answer.

11 THE WITNESS: I am not sure specifically today
12 if there is one. I know there has been in the past, this
13 year, because when I come into work on the weekends there,
14 the LISC is totally staffed and they are working on the
15 weekend to meet the backlog. So the lunch room is full on

16 a Sunday, that's how I would know.

17 MR. ETTINGER: Let's go off the record for a
18 minute.

19 (Discussion off the record.)

20 MR. ETTINGER: Back on the record.

21 Q. I am going to read you a data from AT&T to
22 Pacific and read you Pacific's answer.

23 A. Okay.

24 Q. And then I am going to ask you to assume that
25 Pacific's answer is true and correct.
0085

1 A. Okay.

2 Q. The question was, "State the number of orders
3 for the migration of lines from Pacific." It's typed
4 here, "At AT&T," but it should be "AT&T, that as of March
5 1st, 1997, have not been migrated within three working
6 days." Response, "The number of orders appears to be
7 509."

8 Do you want me to read the rest of the answer
9 which qualifies that?

10 MR. KOLTO-WININGER: Let me just take a look at
11 it. Yeah, will you?

12 MR. ETTINGER: Okay.

13 Q. The rest of the answer continues, "However, the
14 average interval between receipt of work to due date from
15 AT&T order, paren, from the sample taken in November,
16 December and January, paren, is five business days. Based
17 on the samples described above, Pacific uses AT&T's

18 desired due date 88 percent of the time; therefore, even
19 though there appear to be 509 orders not processed within
20 three working days, as of March 1st, 1997, most of those
21 were likely not processed yet at the customer's requested
22 due date. Based on other studies, Pacific is meeting its
23 due date 97 percent of the time."

24 The next question is, "State the number of
25 orders for the migration of existing lines from Pacific to
0086
1 AT&T that have been migrated, but for which, as of March
2 1st, 1997, Pacific has not sent AT&T a notice of
3 completion." Response, "The number of orders appears to
4 be 6,271."

5 Question number 58, "State the number of orders,
6 as of March 1st, 1997, for which AT&T has not been issued
7 a FOC within four hours of receipt by Pacific of the
8 order." Response, "The number of orders appears to be
9 627."

10 Now, assuming that that information is correct,
11 would that indicate to you that there is some sort of
12 backlog at the LISC?

13 A. Currently, I believe so, that's -- if that's
14 correct, then --

15 Q. Have you used that information in making the
16 forecasts?

17 A. No, because that is -- you stated that
18 information was March 1997, so I can use that information
19 in the next revision of the forecast, but --

20 Q. But you didn't have that information until now?

21 A. Correct.

22 (Discussion between counsel and
23 witness.)

24 MR. ETTINGER: Q. Are you aware that Pacific
25 makes estimates of its capacity at the LISC to handle
0087
1 orders?

2 A. No, I am not involved in that at all.

3 Q. That wasn't my question, whether you are
4 involved in that, but are you aware that that takes place?

5 A. No.

6 Q. And so then, you don't know, then, to what
7 extent the people who -- assuming that Pacific does make
8 such estimates, and I can just show you answers to data
9 requests wherein Pacific has said that.

10 MR. KOLTO-WININGER: We will stipulate that we
11 do make those capacity estimations.

12 MR. ETTINGER: Okay. Thank you.

13 Q. Do you know to what extent the people who make
14 those estimates are using your forecasts?

15 MR. KOLTO-WININGER: I will object that it
16 assumes a fact that she's already said she has no
17 knowledge of. But go ahead.

18 MR. ETTINGER: Okay.

19 THE WITNESS: That the people that are making
20 those estimates to the capacity use the forecasts?

21 MR. ETTINGER: Q. Use your forecasts.

22 A. I am not sure to what extent they do, but I know

23 this forecast goes into the staffing requirement process,
24 so I can't tell you if it's 10 percent or 50 percent or a
25 hundred percent.

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1 Q. Did your forecasts also go to the -- to your
2 financial officer in your organization?

3 A. The CFO?

4 Q. Yes.

5 A. Yes.

6 Q. Do you know how they use your forecasts in that
7 organization?

8 A. The -- well, these forecasts go into, say, our
9 business planning process, so for each marketing group,
10 these forecasts are then -- have revenues attached to
11 them, and go into our overall business unit or marketing
12 group business plan.

13 Q. So they used it to make overall corporate
14 revenue forecasts?

15 A. I believe so.

16 Q. And expense forecasts as well, because services
17 also have expenses associated.

18 MR. KOLTO-WININGER: Are you asking her to
19 assume, because if you said that, because --

20 MR. ETTINGER: I will rephrase the question.

21 THE WITNESS: I believe so.

22 MR. ETTINGER: Now she's answered it.

23 THE WITNESS: I am not sure.

24 MR. ETTINGER: Let me rephrase the question.

25 Q. Do you know whether these forecasts are also